



Nuplex Industries Limited

2006 Annual Results Presentation

John Hirst, Managing Director

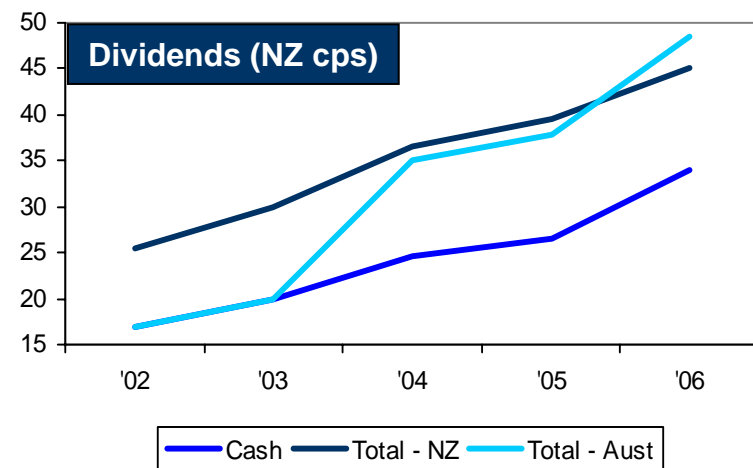
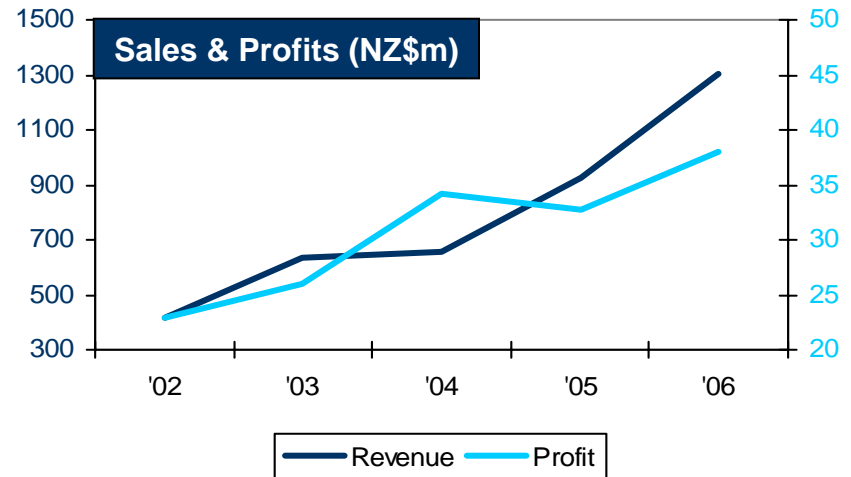
Graeme Storey, Chief Financial Officer

25 August 2006

- Results Overview
- 2006 Highlights
- Business Results
- Outlook

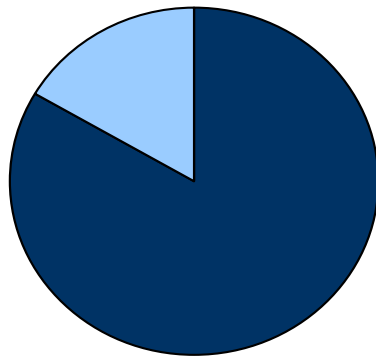
	FY 05	FY 06	Change
Revenue (\$m)	929	1,301	40%
EBITDA (\$m)	81.8	103.4	27%
Net profit after tax tax (\$m)	33.1	62.0	87%
Operating profit (\$m)	33.2	38.0	15%
Wtd. average number of shares	71,527	77,565	8%
Normalised earnings per share (c)	46.4	49.0	6%
Full year cash dividend (c)	26.5	33.5	26%
Payout rate (%)	57%	69%	21%
Number of employees	2,038	1,865	(8%)

- **Met earnings expectations**
- **Continued business growth**
- **New acquisition performance**
- **China – maiden profit**
- **Significant restructure**
- **Portfolio realignment**
- **Continued R & D investment**
- **Positioned for further growth**



EBITDA

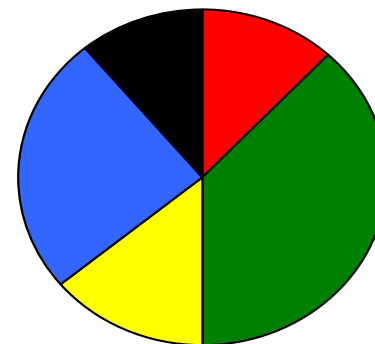
2006



■ Resins
■ Specialties

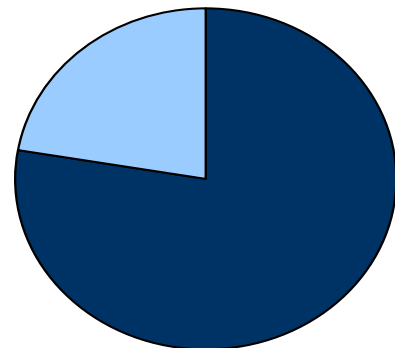
Revenue

■ NZ
■ Australia
■ Asia
■ Europe
■ Americas

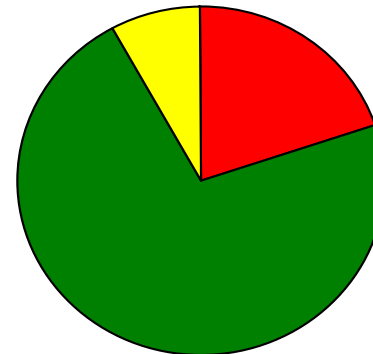


■ NZ
■ Australia
■ Asia

2002



■ Resins
■ Specialties



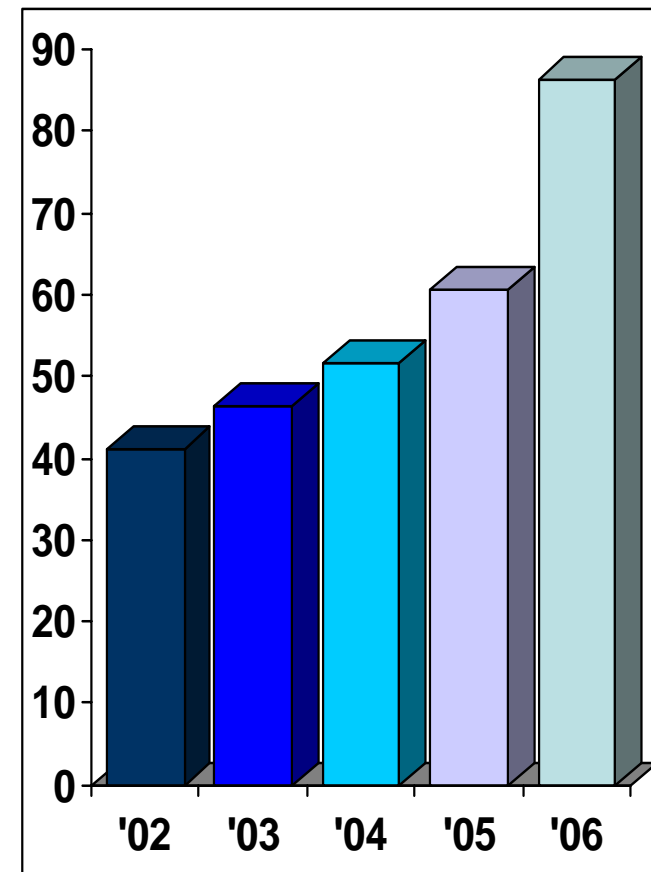
Resins

- Currency impact of 3%
- “Traditional” resins up 12%
- “New Resin” businesses up 54% in H2
- Strong Asian performance
- Loss makers in UK, Brazil, Foshan
 -but China is profitable
 - Loss in each half was \$3.3 million
 - Addition of Brazil major cause in H2 06
 - 40% improvement in UK in H2 06
 - No tax benefit
 - total impact on net surplus

FY 2006 Results

EBITDA up 42% to \$86.3 Million

EBITDA (\$m)



Key impacts on resins EBITDA improvement over 2005

<u>Region</u>	<u>Volume</u>	<u>Margin</u>	<u>Costs</u>
Australasia	=	+	+
Europe	+	+	+
Americas	+	+	-
Asia	+	+	-

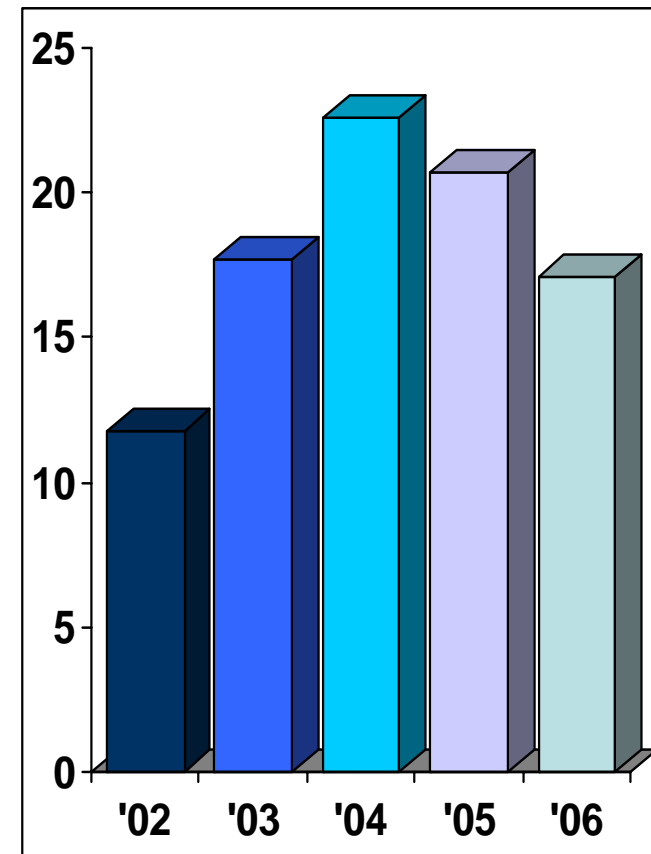
Specialties

- Sold Environmental Services Group
-and acquired PML Group
 - Combined impact +4% on EBITDA
- Construction Products down 38%
- Specialty Products down 21%
 -but turnaround underway

FY 2006 Results

EBITDA down 17% to \$17.1Million

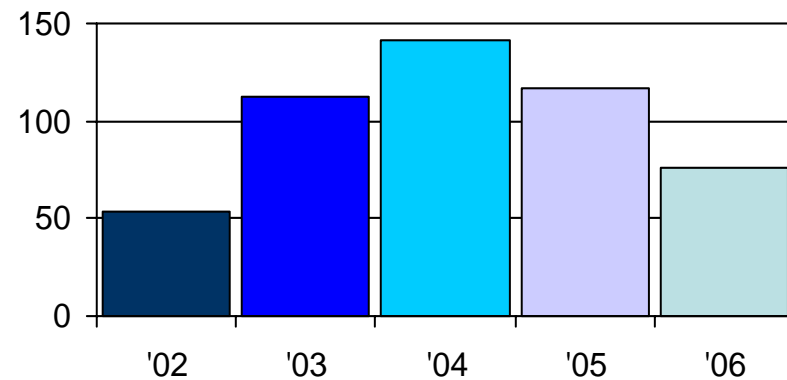
EBITDA (\$m)



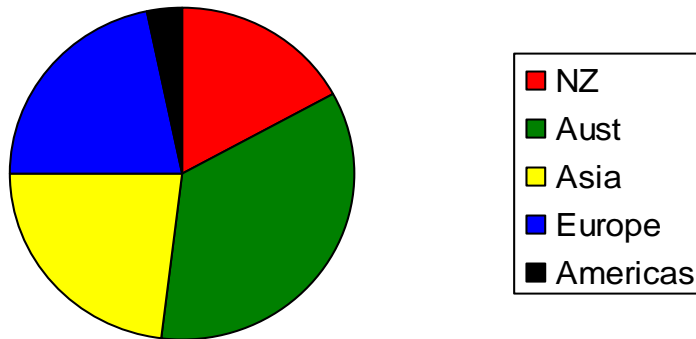
Capital Expenditure

- **2006 expenditure was \$16.6 million**
 - Expenditure on growth very low
 - Will be made up over next 2 years
 - Sustenance & compliance
 - <50% Depreciation over long run
 - 5 year Capex as % Depreciation
 - 100% of weighted average

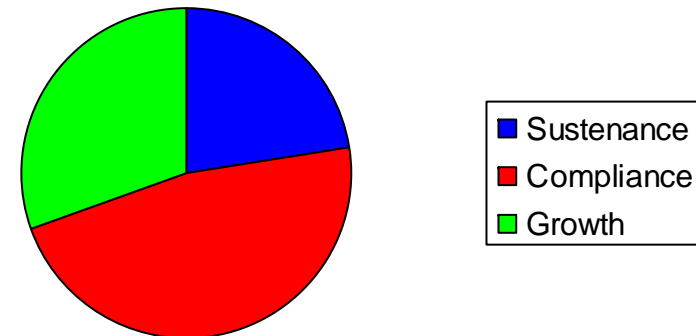
Spending - % of Depreciation



2006 spend by region



2006 spend by purpose



Unusual Items

	\$000 +ve	\$000 -ve
Portfolio realignment	29,693	20,215
Employee provisions	32,332	
Restructuring costs		9,448
Impairment of goodwill		1,116
Environmental provision		1,231
Brazil settlement		628
Forex gains	5,224	
Tax effect		7,933
Other		91
Sub totals	67,249	40,662
Total	26,588	

Cash Flow

	\$000	\$000
	From	To
Operations	90,926	
Interest		20,327
Tax		22,119
Cash from Operating Activities	48,480	
Net fixed assets		12,447
Net acquisition/disposals	4,405	
Cash to Investing Activities		8,042
Net change in borrowing		41,186
Dividends paid		14,295
Cash used in Financing Activities		55,481
Decrease in Cash position		15,043
Cash at June 30, 2006	36,742	

- Resins
 - Turnaround loss makers
 - Brazil
 - Foshan
 - UK
 - Bed down new European structure
 - Finalise new capacity investments
 - European powder
 - European emulsion
 - China emulsion
 - Asian composite
- Specialties
 - Complete Specialty Products rationalisation
 - Complete closure of Seven Hills site
 - Achieve synergies from agency & distribution businesses

- Raw Materials
 - Continued shortages and upward price pressure
- Pricing
 - Raw material costs recoverable
 - Industry showing signs of recovering margins
- Demand
 - Most markets expected to be soft to steady
 - Asia with plenty of growth still
 - H1 will be lower than H2
- Costs
 - \$2 – 3 million non-recurring costs in period
 - Expect substantial improvement in loss making operations



THANK YOU